

Message Text

UNCLASSIFIED

PAGE 01 FRANKF 04930 301609Z

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06

SP-02 LAB-04 EPG-02 SIL-01 OMB-01 L-03 H-02

NSC-05 SS-15 STR-04 CEA-01 PA-02 PRS-01 IO-14

EURE-00 /115 W

-----010069 301615Z /45

P R 301550Z JUN 77

FM AMCONSUL FRANKFURT

TO SECSTATE WASHDC PRIORITY 8578

INFO AMEMBASSY BONN

UNCLAS FRANKFURT 4930

E.O. 11652: N/A

TAGS: EFIN, IMF, GW

SUBJECT: FRG FINANCE MINISTER HANS APEL ON IMF AND US PAYMENTS
DEFICIT

1. IN A SPEECH TO THE FRANKFURT BANKING COMMUNITY,
WITH A LARGE ATTENDANCE OF FOREIGN BANK REPRESENTATIVES
ON JUNE 29 FRG FINANCE MINISTER HANS
APEL SUGGESTED POSSIBLE FUTURE COOPERATION BETWEEN
THE INTERNATIONAL MONETARY FUND AND COMMERCIAL CREDIT
INSTITUTIONS.

2. ESPECIALLY WITH REGARD TO FINANCING THE CURRENT
ACCOUNT DEFICITS OF SOME DEVELOPING COUNTRIES, APEL
SUGGESTED THE CONCEPT OF "PARALLELISM" IN WHICH THE
EXTENSION OF CREDITS BY THE IMF WOULD BE "COUPLED" WITH
A CONCURRENT EXTENSION OF COMMERCIAL CREDIT FROM THE
BANKING COMMUNITY. APEL ADDED, HOWEVER, THAT THIS
"COUPLING" OF IMF AND PRIVATE BANKING CREDIT ARRANGE-
MENTS SHOULD NOT RELIEVE THE COMMERCIAL BANKS FROM
HAVING TO MAKE THEIR DECISIONS ON THE BASIS OF
NORMALLY APPLICABLE FINANCING CRITERIA NOR OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 FRANKF 04930 301609Z

RESPONSIBILITY FOR ASSUMING NORMAL RISKS. (HE
OPPOSED THE LARRE PROPOSAL FOR IMF REFINANCING
OF COMMERCIAL CREDIT.) APEL ALSO INDICATED
AWARENESS OF THE PROBLEM OF INFORMATION INTERFACE
BETWEEN THE IMF AND THE PRIVATE BANKING SECTOR IN
ARRANGING FOR SUCH "COUPLED" FINANCING ARRANGEMENTS,
BUT THOUGHT THAT THIS DIFFICULTY COULD BE OVERCOME.

3. IN FURTHER REMARKS ON THE IMF, APEL SAID THAT HE WOULD OPPOSE CREATION OF ADDITIONAL SDR'S OR CREATION OF ADDITIONAL UNCONDITIONAL CREDITS SINCE THIS WOULD ONLY DEFER INDEFINITELY NECESSARY ADJUSTMENT PROCESSES. HE NOTED THAT BORROWERS ARE AT TIMES RELUCTANT TO COMPLY FULLY WITH THE CONOMIC POLICY CONDITIONS NORMALLY ATTACHED TO IMF LOANS. WHILE APPROPRIATE CONDITIONS SHOULD BE MADE, APEL SAID HE WOULD OPPOSE INSISTENCE ON POLITICALLY UNREALISTIC CONDITIONS BECAUSE THE CONSEQUENCES OF SUCH INSISTENCE WOULD BE EITHER TO PRODUCE A POLITICAL UPHEAVAL OR TO HAVE THE BORROWER SIMPLY EVADE COMPLIANCE.

4. RE U.S. BALANCE OF PAYMENTS DEFICIT APEL SAID ONLY THAT PERSISTING U.S. CURRENT ACCOUNT DEFICIT MIGHT BEAR WATCHING SINCE NO ONE COULD BE INTERESTED IN WEAKING OF THE DOLLAR. HE NOTED THAT U.S. DEFICIT COULD BE ATTRIBUTED TO OIL AND IMPORTS FROM JAPAN. LEHMANN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, ECONOMIC COOPERATION, SPEECHES, BANKS
Control Number: n/a
Copy: SINGLE
Sent Date: 30-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977FRANKF04930
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770234-0005
Format: TEL
From: FRANKFURT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977064/aaaaacze.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: d275e779-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 19-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2095236
Secure: OPEN
Status: NATIVE
Subject: FRG FINANCE MINISTER HANS APEL ON IMF AND US PAYMENTS DEFICIT
TAGS: EFIN, GE, IMF, (APEL, HANS)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/d275e779-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009